



Memorandum

October 30, 2024

To: Board of Trustees
From: Michael Stoddard, Executive Director
Greg Leclair, Director of Finance & Administration
Re: FY2024 Financial Audit - Amendment

This memorandum, together with two attachments from our auditors, provide an update on our FY2024 Annual Audit, which was submitted to the State in mid-October.

In performing their final checks to complete the audit report, our auditors (RKO) noticed that we have a shortcoming in our written policies. This does not change any of their findings about our accounting, or significant/material weaknesses or deficiencies. But it does constitute a “finding” that they need to reference in their report. There is a simple remedy (which is to amend our Procurement Rule), which Staff will undertake this fall. The purpose of this memorandum is simply to give the Board notice that the final audit report contains some modifications to reflect this new finding that occurred after RKO’s briefing at the October 3, 2024 meeting of the Board.

For context, since the Trust is now receiving significant quantities of federal funds, it is required to amend its written policies (specifically, the “Procurement Rule”) to make clear that the Trust’s procurement policies will conform with certain specific federal requirements. The auditors have made clear that there have been no findings of violations of those federal requirements. The problem is simply that we did not codify these requirements in our Procurement Rule.

The Staff memo presented to the Board at the meeting on Oct. 3 indicated that

The Trust received an unmodified opinion, RKO made a finding of no material weaknesses or significant deficiencies within the Trust’s financial statements. Additionally, the Trust also underwent an A-133 audit of federal funds, for FY 2024. The A-133 audit resulted in no material weaknesses or significant deficiencies.” RKO has informed Staff that none of those findings are changed by the issue that has arisen with the Procurement Policy.

The final audit report has been amended with the language included in the attachment here called “RKO Uniform Guidance Draft Report.” (The full explanation of the finding appears at p. 10. Of the Draft Report).